RAJYA SABHA

Monday, the 28th April, 1986/8 Vaisakha, 1908 (Saka)

The House met at eleven of the clock, Mr. Chairman in the Chair.

ORLAL ANSWERS TO QUESTIONS

Collaboration agreements by the BHEL

*81. SHRI LAL K. ADVANI:†
SHRI KAILASH PATI MISHRA:

Will the Minister of INDUSTRY be pleased to state:

(a) the number of collaboration agreements which were signed by the BHEL with foreign/Indian companies during the Sixth Five-Year Plan period, giving in each case the name and address of the collaborator, name of the Indian agent, if any, the year of the collaboration, the product(s) covered, the amounts so far paid separately on account of lumpsum charges, royalties, engineering and design charges, purchase of equipment and components, etc. and such amounts/fees likely to be paid in 1985-86 and 1986-87;

(b) whether the BHEL's Indian competitors have entered into collaboration agreements with foreign companies during the same period for similar equipment(s) at much easier terms and for lower payments; and

(c) if so, whether detailed techno-economic studies of comparative capabilities of the collaborators were made before entering into contract with them?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT (SHRI M. ARUNACHALAM): (a) A statement is laid on the Table of the House. [See Appendix CXXXVIII, Annexure No. 9.]

(b) Information is being collected.

(c) Detailed techno-economic studies of comparative capabilities of firms willing to collaborate were made by BHEL before entering into collaborations.

SHRI LAL K. ADVANI: Sir, I would like to know what is the total amount of capital investment we have made on the R&D infrastructure in BHEL and the annual expenditure we incur on that. My information is that we invested about Rs. 20 crores and we are annually incurring an expenditure of Rs. 13 crores to Rs. 15 crores and in spite of the products that we have been able to develop indigenously we are going in for collaborations in many fields as a result of which the local staff and the executives feel that the R&D development is of no purpose. Has any inquiry been made as to which of these collaborations were really necessary and where we are not able to provide these items indigenously?

SHRI NARAYAN DATT TIWARI: Sir, the figures regarding investment mentioned by the distinguished Member are more or less correct except for the fact that Research and Development expenditure in the year 1984-85 was of the order of Rs. 26 crores which is 1.75 per cent of the total turnover. The budgeted figure for 1985-86 is about Rs. 30 crores and for 1986-87, that is, the current year, it is Rs. 47 crores which would be about 2.47 per cent of the turnover. This would be a quantum jump in one year from a percentage point of 1.8 per cent to 2.47 per cent. I agree that we have to do more in the field of Research and Development and that we are trying to do. I have called a meeting of the BHEL General Managers and Chairman so that we can review the whole situation regarding Research and Development. But the honourable Member with his vast ex-

†The question was actually asked on the floor of the House by Shri Lal K. Advani.

perience, I think, knows that BHEL primarily being in the power equipment field operates in a high technology area which is characterised by a high rate of technology change, frequent product innovation and very large spending on Research and Development programmes at the international level. Therefore, BHEL has to keep abreast of developments abroad and then, again it is very important that we also cater to the requirements and needs of the customers. What happens, Sir, is that the customers, mainly the Electricity Boards want high technology. They want new type of systems also to be brought in for different power stations that are going to be set up and sometimes there are international tenders wherein there are jet specifications that you will have this type of boiler and so on and, therefore, we have to provide for imported items to meet customer requirements. Sometimes they also need guarantees. They say we must have collaborator's guarantee and when we take the overall situation, it is better to manufacture indigenously whatever we can through BHEL instead of importing the whole sets from outside the country. So, I would suggest that the Member may rest assured that we are doing whatever possibly we can in the field of Research and Development As far as collaborations are concerned, BHEL has collaborated only to the extent which is required to keep up to international levels of generation requirements.

SHRI LAL K. ADVANI: Sir, my complaint is not that we are not spending enough on R&D. My complaint is that the amount that we are spending on R&D is not being properly utilised. I specifically point out that we have brushes exciters, vapour absorption refrigeration, simulator electronic controllers, etc. I have with me a resolution by the executive association. It says that in the absence of management support, these are merely serving the purpose of showpieces.

Sir, my second specific question is about collaboration with the Siemens. It is true that the Siemens (India) is a competitor of ours, of the BHEL in India itself, and so, the result is that when we have collaboration agreements with the Siemens, the Siemens (India) are aware of all the technical details? How do we permit the Siemens (India) to be a competitor in those very fields in which we go in for collaboration with the West German Siemens? This is something which I cannot understand.

SHRI NARAYAN DATT TIWARI: Sir, the distinguished hon. Member with his experience in Government also must be knowing about the background of the collaboration with the Siemens and all that. It is a fall-out of what he knows about. I would not go into the details. But I may say that what the Siemens (India) manufactures here is entirely different from what the Siemens KW International manufactures. The Siemens (India) is, comparatively speaking, not the same Siemens which they have in Germany. Here, the BHEL is the main instrument of the manufacturing of our power-generation equipment.

As far as particular details are concerned regarding the Siemens, I require notice because if I have to go into the details, I want to be exact, I do not want to generalise. The hon. Member will expect me that I should not just here make remarks or give information of which I am not very sure. Therefore, I would like notice for that.

MR. CHAIRMAN: Mr. Kailash Pati Mishra absent. Mr. Nirmal Chatterjee.

SHRI NIRMAL CHATTERJEE: Sir, the question immediately is not whether we are spending a lot or whether there is adequate research. There is the third question. That question is even where there is successful research output, that is side-tracked in favour of foreign collaborator. I mention specifically that

famous fluid-based technology controversy. When the BHEL entered into a collaboration with the Siemens, the scientists in the BHEL objected to it because they said, they had developed it and partially tested it, and that is by no stretch of imagination inferior to the one that was to be imported from West Germany. And yet it was imported. A collaboration agreement was entered into. So, on this question, can the hon. Minister guarantee the House that whatever research product comes out of R&D in our public sector enterprises and in the BHEL in particular, would first be trial-tested and then only, if the need still remains, will import be permitted after getting consensus from the R&D people involved in the organisation?

SHRI NARAYAN DATT TIWARI: Sir, I may congratulate on this point our engineers who have done excellent R&D effort in the BHEL. I recognise and I think this House also appreciates whatever they have done in the field of R&D. I have a few examples. The hon. Member was referring to fluidized bed boilers. That is up to about only 30 mw capacity. They are boilers with real mill layer with direct ignition of pulverised coal for saving oil, development of L.P. modules, mini-micro hydro sets, low and medium voltage vacuum circuit breakers, ceramic liners, thyrister control applications and so on and so forth. In these areas we do not need foreign collaborations unless they are of a new innovation or high-ranking technology which has not been researched upon here. So, I perfectly recognise that we should not collaborate in these areas in which we have through our own R&D efforts achieved results. But, as I said earlier, power-equipment manufacturing being a very high technology item and being characterised by a high rate of technology change and frequent product innovations, according to customer demand we have to go into collaboration in it. The hon. Member has said that he has received some letter or something. I would request him to give me that information, which...

SHRI NIRMAL CHATTERJEE: I may point out to the hon. Minister that the problem is if they come to a level of 35 megawatt, then the consumers are pushed to demand 60 megawatt or something. That way the entire research goes to waste. This is the kind of approach that is developing leads to further collaborations.

SHRI NARAYAN DATT TIWARI: Here I may point out if a power station has 110 megawatt capacity turbine or 200 megawatt capacity turbine or a newly designed 500 megawatt capacity turbine, then we have to have a boiler range of higher capacity. We cannot continue with the 35 megawatt boiler.

PROF. B. RAMACHANDRA RAO: I appreciate the work done by the BHEL. It has done a tremendous work particularly in the field of reverse osmosis and solar energy. I found this when I visited there. But, I would like to know whether in these collaboration agreements there is any provision that this knowhow cannot be updated. Can't the BHEL take this knowhow and improve upon it? I would like to know whether the agreements with various companies would mean that we have to bind ourselves with these agreements for ever.

The second part of my question is whether the Government is contemplating to increase the Budget and also expand the facilities of R&D laboratories in the BHEL so that more modern advanced technology can be developed at a faster rate than what we have at present.

SHRI NARAYAN DATT TIWARI: I would take the second question first. Of course, I am in full agreement—and I said so—that we should expand the Research and Development facilities in the BHEL. I also said that this year's Budget provides for a

quantum jump in allocations for R&D in the BHEL.

As far as the question of future collaborations is concerned, the important element is that the BHEL insists through these agreements at obtaining engineering and technological knowhow in selective areas in a specific production system. So, our aim is to acquire both the know-how and know-why.

The hon. Member has referred to the Solar energy systems being developed by the BHEL. I think whatever suggestions are relevant in this regard, the hon. Member can send those to me, but I can assure him that BHEL has kept those points which the hon. Member has referred to, in its mind.

श्री अश्विनी कुमार : माननीय सभापति महोदय, मंत्री महोदय ने बी एच ई एल की रिसर्च और डेवलपमेंट के बारे में हमें अच्छी जानकारी दी । घूमते-फिरते यह अनुभव आता है कि रिसर्च और डेवलपमेंट जो बी एच ई एल का होता है स्टेट इलेक्ट्रिसिटी बोर्ड को उसका उपयोग कम होता है और स्टेट इलेक्ट्रिसिटी बोर्ड्स के ऊपर इस प्रकार के प्रभाव काम करते हैं कि वे बी एच ई एल के बजाय विदेशी मशीनों की ओर जाने की रुचि दिखाते हैं । क्या मंत्री महोदय इस प्रकार की कोई व्यवस्था करेंगे कि जो रिसर्च और डेवलपमेंट बी एच ई एल में हो विदेशी जानकारी के आधार पर हो उसका उपयोग इलेक्ट्रिसिटी बोर्ड जो स्टेट्स के होते हैं उनके द्वारा किया जाय । यदि इस प्रकार का विचार है तो इसको पूरा करने के लिए क्या-क्या कदम मंत्री जी उठाना चाहते हैं ।

श्री नारायण दत्त तिवारी : श्रीमन्, मैं माननीय सदस्य का बहुत आभारी हूँ कि वे स्वदेशी विचारधारा के समर्थक हैं और उन्होंने गवेषणा और विकास के क्षेत्र में जो कुछ बी एच ई एल के माध्यम से हुआ है उसका एक प्रकार से समर्थन किया है। जहां तक उनके सुझाव का प्रश्न है कि जो विद्युत् बोर्ड राज्यों में हैं उनको विश्वास में लिया जाए ताकि जो गवेषणा या विकास के क्षेत्र में कार्य बी एच ई एल के द्वारा हो रहा है उसकी जानकारी उन्हें हो सके । मैं इस सुझाव का स्वागत करता हूं । वैसे तो मेरी जानकारी है कि बी एच ई एल विभिन्न सेमिनारों और कान्फरेंसों के माध्यम से विद्युत् बोर्डों के जो चेयरमैन हैं या जो कुछ इंजीनियर हैं या जो अन्य टेक्नीकल लोग हैं उनको जानकारी देते रहते हैं। मैं यह विश्वास दिलाता हूं कि वे माननीय सदस्य के सुझाव के अनुरूप इस प्रयास को और अधिक सुदृढ़ करेंगे कि विद्युत् बोर्डों को जो मुख्य आधार है उनको अधिक जानकारी हो सके कि बी एच ई एल में कौन सी गवेषणा और विकास के कार्य किये जा रहे हैं ।

SHRI GHULAM RASOOL MATTO: Sir, in reply to part (b) of the question, the Honourable Minister has stated that the information is being collected. May I know from the Minister: (a) By what time he will furnish the information to the House; and (b) On the basis of the information that the hon. Minister gathers, in that, if he finds that for similar equipment(s) easier terms and lower offers were made will he see to it that our terms are also reduced to those terms which are offered to other countries.

MR. CHAIRMAN: Part (b) is hypothetical question.

SHRI GHULAM RASOOL MATTO: What, Sir?

MR. CHAIRMAN: If he finds etc., is a hypothetical question. Now, the Minister can reply only to the first part of the question.

SHRI NARAYAN DATT TIWARI: What, Sir?

MR. CHAIRMAN: When do you expect the information to be collected and place it on the Table of the House?

SHRI NARAYAN DATT TIWARI: We have to go into the details because it involves private companies also; and the negotiations that we

have made. However, Sir, I will try to get this information as early as possible.

MR. CHAIRMAN: Next Question No. 82.

Newsprint from bagasse pulp

*82. SHRI B. SATYANARAYAN REDDY: Will the Minister of INDUSTRY be pleased to state:

(a) whether a technical breakthrough has been achieved in the manufacture of newsprint from bagasse pulp;

(b) if so, whether there is a proposal to set up plants for the manufacture of newsprint from bagasse pulp; and

(c) if so, what are the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT (SHRI M. ARUNACHALAM): (a) Yes, Sir. The Tamil Nadu Newsprint and Papers Ltd. has achieved a technical break-through by producing newsprint using 85 per cent bagasse pulp and 15 per cent locally made hardwood pulp.

(b) and (c) The State Industrial and Investment Corporation of Maharashtra has been granted a Letter of Intent on 21st July, 1983, for setting up a new undertaking in District Parbhani in the State of Maharashtra for the manufacture of 50,000 tonnes per annum each of newsprint and writing and printing paper based on bagasse as the main raw material. The National Newsprint and Paper Mills, a Central Government Company, is preparing a detailed project report for setting up a bagasse-based newsprint plant in district Nainital in the State of Uttar Pradesh.

SHRI B. SATYANARAYAN REDDY: Mr. Chairman. Sir. the House knows that there is acute scarcity of newsprint in the country. We are importing newsprint worth crores of rupees. So there is a need to encourage the indigenous production of newsprint on a large scale in our country. Therefore, may I know from the Minister that apart from these two places which he has mentioned in his reply, whether the Government is taking any steps to locate newsprint industries in places like Andhra Pradesh, Tamil Nadu and other States where the raw material is available in plenty to reduce our dependency on imports?

SHRI M. ARUNACHALAM: Sir, as far as the Government is concerned, we are ready to support any newsprint project based on bagasse. Sir, we have already issued Letter of Intent to 14 companies. We have issued industrial licence to two companies.

MR. CHAIRMAN: Second supplementary.

SHRI B. SATYANARAYAN REDDY: The Minister has said just now that his Department has issued Letter of Intent to 14 companies. Therefore, I would like to know what are the names of these companies and where these companies are located? Whether it covers the State of Andhra Pradesh, Tamil Nadu and other States where the raw material is available? I would also like to know, whether the Government is prepared to give necessary incentives to this industry so that it can progress.

SHRI M. ARUNACHALAM: Sir, as far as the State of Andhra Pradesh is concerned, we have issued Letter of Intent to four companies. They are: (1) Shri Cleetus Vincent, M/s. Oceanic Products Exporting Company Sakthikulangara, Teh. and District Saikakulam, A.P.; (2) M/s. Deccan Cements, Teh. Machilipatnam, Dist. Krishna, Andhra Pradesh. Then Shri B. Hanumantha Rao, The Pragati Newsprint Ltd. has been issued in Vijayawada, District Krishna. A.P. Then Shri Sarvarayalu, S.B.P.V.V.